

**THE CITY OF MEMPHIS
DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT
GUIDELINES FOR SUBMITTING PROPOSALS**

COMMUNITY ECONOMIC DEVELOPMENT PROGRAM

FY 2018



**STRATEGIC COMMUNITY
INVESTMENT FUNDS**

**APPLICATION DEADLINE: November 18, 2016 5:00 P.M.
Must be delivered to Division of HCD, 701 N. Main by 5:00 p.m.**

The City of Memphis

Division of Housing and Community Development (HCD)

Guidelines for Submitting Proposals

For

Community Economic Development Program (CEDP)

Part I: Introduction

The purpose of the Community Economic Development Program is to provide financial incentives to non-profits and for-profits desiring to develop commercial, office, or industrial projects in Memphis' low-investment neighborhoods. The CEDP funding is **NOT** intended to provide the primary or principal source of financing for a commercial or industrial project, but is intended to provide a financial incentive to make the development of the land and properties in low investment areas more cost effective to developers.

Part II: Goals and Objectives

The purpose of the SCIF Community Economic Development Program process is to provide a unified and competitive application process for non-profits and for-profits to pursue non-residential development in Memphis' low investment communities. Specifically, Commercial development is essential to the City's dedication in providing economic development opportunities in our inner city. By encouraging commercial development, we are supporting the Mayor's commitment to job creation and neighborhood revitalization.

By making this funding available, the expected outcomes to stimulate economic development and growth are as follows:

- Job Creation and Retention
- Elimination of slum and blight
- Provision of new goods and services in otherwise underserved markets
- Community Development

Part III: Available Sources of Funding for FY18

The Community Economic Development Program is an effort by the City of Memphis utilizing Community Development Block Grant Funds to stimulate commercial development in HCD target areas. This funding can be used for site assembly, new construction, demolition, infrastructure improvements, and rehabilitation. For-profit property owners are limited in the use of the funding for rehabilitation. For-profits can only use rehab dollars to improve the exterior and correct code violations on the interior of the structure regarding electrical, plumbing, and HVAC.

The City's equity position in the development will be through a Deferred Lien secured by a Deed of Trust at closing and will be released when the loan is paid off. The loan amount is dependent on program funding availability and the project. For example, \$17,500 can be borrowed per full time equivalent job created or retained. Loan terms can range from 5 to 10 years, and will be determined by such factors as the type of development project and the terms set by the other participating lenders. The loan amount and terms will be negotiated before contract execution. An equity investment of 20%-30% of total project cost is required, depending on funding request amount.